





City of Loma Linda Official Report

Floyd Petersen, Mayor
Stan Brauer, Mayor pro tempore
Robert Christman, Councilmember
Robert Ziprick, Councilmember
Charles Umeda, Councilmember

COUNCIL AGENDA: July 17, 2006

TO: City Council

VIA: Dennis R. Halloway, City Manager 

FROM: T. Jarb Thaipejr, Public Works Director/Civil Engineer 

SUBJECT: Annual Refuse Rate Review and Adjustment

RECOMMENDATION

It is recommended that the City Council approve Council Bill No. R-2006-35 adopting the solid waste haul rate for fiscal year 2006-2007.

BACKGROUND

Waste Management of the Inland Empire, the solid waste hauler contractor for the City, has submitted a 2006 Solid Waste Rate Adjustment request (attached). The request reflects changes based on the Consumer Price Index (CPI), increased landfill disposal fees, proposed fuel surcharge compensation, proposed fee for overloaded commercial bins, proposed one-time commercial and roll off set-up fee for new accounts, C&D roll off service, and costs due to changes in service. No rate adjustment was granted for fiscal year 2005-2006.

The Cost of Living Adjustment calculation from April 2005 through March 2006 from the U.S. Department of Labor, Bureau of Labor Statistics, shows an increase of 4.67%. The Landfill Disposal Rate, commonly known as the tipping fee, increased from \$30.84 to \$35.38 per ton effective July 1, 2006. The CPI adjustment affects only the "Service Portion" of the overall rates. The City is required by AB 939 to divert 50% of its solid waste from the landfill. The City is currently at a 41% diversion rate. The residential sector has been very supportive in establishing a successful recycling program. The commercial sector, which includes multi-family housing complexes, has not yet met with a similar rate of success. However, staff and our Recycling Consultant have been working with management companies to implement recycling programs at their complexes. In June 2006, the City implemented a recycling program at Loma Linda Springs, 444-unit multi-family complex. To date, the participation from the residents has been very positive.

The City continues to utilize the "Waste to Energy" diversion program. The additional cost for a Waste to Energy program is projected to be \$1.07 per yard per month. This adjustment would affect the commercial sector only and encourage additional participation in

reduce/reuse/recycling programs. As our diversion rate meets and exceeds the 50% mandate, the Waste to Energy program will be phased out.

ENVIRONMENTAL

None.

FISCAL IMPACT

City's pass-through payment for refuse service is funded in 01-3600-1830.

Attachment:

- 1) Solid Waste Rate Adjustment Letter dated June 5, 2006, by Waste Management of the Inland Empire

I:\Public Works Admin\Staff Reports\Refuse Rate Increase 2006.doc



CITY OF LOMA LINDA

JUN 06 2006

ADMINISTRATION

June 5, 2006

**WASTE MANAGEMENT OF
THE INLAND EMPIRE**800 S. Temescal Street
Corona, CA 92879-2058
(909) 817-2400
(909) 817-2402 Fax

Mr. Dennis R. Holloway
City Manager
City of Loma Linda
Civic Center
25541 Barton Road
Loma Linda, CA 92354

Re: 2006 Request for Solid Waste Rate Adjustments

Dear Mr. Holloway:

Per Section III. OBLIGATIONS OF CONTRACTOR, Subsection (25) Rates, USA Waste of California, Inc. respectfully requests an adjustment effective to the current refuse rates to reflect the following:

1. *An increase of the Consumer Price Index (CPI) – Urban Wage Earners and Clerical Workers, from April 2005 through March 2006. A copy of the CPI is attached for your review.*
2. *An increase in the Landfill Disposal Rate at the San Bernardino County System from \$30.84 per ton to \$35.38 per ton, effective on all rate structures. A copy of the San Bernardino notification is on file at City Hall.*
3. *A proposed fuel surcharge to compensate USA Waste for fuel costs incurred above and beyond those captured in our CPI index. (See Section VI)*
4. *The addition of a proposed commercial overage fee for overloaded commercial bins. (See Section V)*
5. *The addition of a proposed one-time commercial and rolloff set-up fee for new accounts.*
6. *The addition of a new C & D rolloff service. (See Section III 10.)*

In order to calculate the rate change, we annually review and establish the actual disposal component of the monthly rate for each household and the various commercial business rates. This is because the CPI adjustment is expressed only on the "Service Portion" of the overall rates. Per our Agreement, the twelve month disposal review will be from April 2005 through March 2006. The attached CPI schedule shows a 4.67% increase for the period April 2005 through March 2006 ($199.2 - 208.5 = 9.3/100 = 4.67\%$).

Residential Rate Calculation

I.) Service Component Analysis

A.) Consumer Price Index (CPI) Adjustment

Current Bi-Monthly Service Component	= \$27.30 (from City Exhibit "A")
CPI Adjustment per Attachment	= 4.67%
Next Bi-Monthly Service Component 2006 - 2007	= \$28.57

II.) Disposal Component Analysis

A.) Refuse Volume Calculation

Landfill Volume from April 2005 thru March 2006	= 3,587.53 tons
Total Number of Single Family Residences (revised per City)	= 4,500

Total Trash Disposed per Account (3,587.53 / 4,500)	= .80 tons/home/yr
	= 1,600 lbs/home/yr

B.) Green Waste Volume Calculation

Green Waste Volume from April 2005 thru March 2006	= 2,481.79 tons/yr
Total Number of Single Family Residences	= 4,500

Total Green Waste Disposed per Account (2,481.79 / 4,500)	= .55/tons/home/yr
	= 1,103 lbs/home/yr

C.) Container Size Calculations

(68 Gallon vs. 96 Gallon)

1.) Container Breakdown by Home (Per City Records)

68 Gallon	=	990 Homes (22%)
96 Gallon	=	3,510 Homes (78%)
Total	=	4,500 Homes

2.) Disposal Pass-thru Adjustment for Container Size *

a.) Landfill Disposal Component for 68-Gallon	= .80 tons X 70%
	= .56 tons (1,120 lbs/home/yr)
	= .56 tons X 990 homes
	= 554 tons/yr
b.) Landfill Disposal Component for 96-Gallon	= 3,588 tons - 554 tons
	= 3,034 tons/3510 homes
	= .86 tons (1,729 lbs/home/yr)
c.) Green Waste Disposed for all Customers	
Total Tonnage of 2,481.79 Tons / 4,500 Homes	= .55 Tons (1,103 lbs/home/yr)

* Current system calculates a 30% lower pass-thru for 68 gallon container

D.) Pass-Thru Disposal Cost for 96-Gallon Customers

1.) Disposal	= .86 tons x \$35.38 = \$30.43 annually (\$5.07 bi-monthly)
Green Waste	= .55 tons x \$28.95 = \$15.92 annually (\$2.65 bi-monthly)
Subtotal	= \$46.35 annually (\$7.72 bi-monthly)
City Franchise Fee	= \$ 8.18 annually (\$1.36 bi-monthly)
TOTAL	= \$ 54.53 yearly (\$9.08 bi-monthly)

E.) Pass-Thru Disposal Cost for 68-Gallon Customers

1.) Disposal	=	.56 tons x \$35.38	= \$19.81 annually (\$3.30 bi-monthly)
Green Waste	=	.55 tons x \$28.95	= \$15.92 annually (\$2.65 bi-monthly)
Subtotal			= \$35.73 annually (\$5.95 bi-monthly)
City Franchise Fee			= \$ 6.31 annually (\$ 1.05 bi-monthly)
TOTAL			= \$42.04 yearly (\$7.00 bi monthly)

III. Other Rate Adjustments:

1. Container Exchange Fee (CPI of 4.67% only) from \$27.69 to \$28.98
2. Additional Containers (Carts):
96-Gallon Trash Container
Disposal = .86 tons x \$35.38 = \$30.43/12 months = \$2.54/.85 = \$2.98/month
Service = \$7.33 x 4.67% = \$7.67
Total 96-gallon additional cart = \$10.65/month (\$21.30 bi-monthly)
68-Gallon Trash Container
Disposal = .56 tons x \$35.38 = \$19.81/12 months = \$1.65/.85 = \$1.94 month
Service = \$7.33 x 4.67% = \$7.67
Total 68-gallon additional cart = \$9.61/ month (\$19.22 bi-monthly)
Additional Green Waste Container
Disposal = .55 x \$28.95 = \$15.92/12 months = \$1.32/.85 = \$1.56
Service = \$7.33 x 4.67% = \$7.67
Total Green Waste additional cart = \$9.23/month (\$18.46 bi-monthly)
Additional Recycling Container
\$2.72 per month x 4.67% = \$2.84/month (\$5.69 bi-monthly)
3. Apartment Complex per unit from \$ 18.46 to \$19.32
4. Apartment Pass-Thru from \$ 8.22 to \$ 8.60
5. Apartment Bin Set Rates from \$ 27.11 to \$28.38
6. Temporary 15-40 yard roll-off box
Service from \$249.59 to \$261.25
Disposal (up to 5 tons) from \$181.41 to \$208.12
Total from \$431.00 to \$469.37
7. Permanent Roll-off Containers
Service from \$164.28 to \$171.95
Compactors from \$176.47 to \$184.71
Disposal (includes franchise fee) from \$ 36.28/ton to \$ 41.62/ton
8. Temporary 3 Yard Bin from \$ 40.21 to \$ 42.09 (delivery)
from \$ 40.21 to \$ 42.09 (collection)
9. 96-Gallon Commercial Recycling Cart from \$19.94 bi-monthly to \$20.87
10. Rolloff C & D Service * \$295.00/haul plus disposal costs

IV. COMMERCIAL BIN BI-MONTHLY RATES

Basic Commercial Rate Can Service =

1. Increase Service Component (4.67%) from \$28.26 to \$29.58

Commercial Bin Rates Per Yard =

	<u>Current</u>	<u>Proposed</u>
1. Service Component (4.67% CPI Adj)	\$ 4.14	\$ 4.34
2. Disposal Component (Inc FF)	\$ 1.89	\$ 2.21
3. Waste to Energy Component	1.05	\$ 1.07
Total	\$ 7.08/Yd	\$ 7.61/Yd

Note: City Exhibit "B" matrix will include CPI increases to both the

1. "SVC CHG", and the "BIN SET CHARGE."

V. OTHER COMMERCIAL AND ROLLOFF FEES

1. Commercial Overage Fee \$35.00/Bin
2. Commercial Set-Up Fee \$12.00/Account
3. Rolloff Set-Up Fee \$12.00/Account

VI. FUEL ADJUSTMENT

1. Residential Add .18¢/Home/Month
2. Commercial Add .30¢/Yard/Month
3. Rolloff Add \$2.19/Haul

With your review, we are available for further discussion at your convenience.

As always, it's a pleasure being of service to the City of Loma Linda.

Respectfully submitted,



J. Alex Braicovich
Director of Government Affairs

cc: Sherry Kouba, Analyst
Rob Zakoor, Director of Operations

City of Loma Linda
Extraordinary Fuel Cost Increase Request

Residential Rate		2005	Current	Change	% Change
Rate Components					
Refuse Disposal Component/Greenwaste Disposal and City Fees		\$ 5.02	\$ 4.84	\$ (0.19)	-3.7%
Contractor's Pick Up Fee		\$ 13.65	\$ 14.29	\$ 0.64	4.7%
Total 96 Gallon Automated Cart Rate		\$ 18.67	\$ 19.12	\$ 0.45	2.4%
Service Component Breakdown	% of Total				
Operating Costs (incl. Profit)	92.1%	\$ 12.57	\$ 13.16	\$ 0.58	4.7%
Fuel	7.9%	\$ 1.08	\$ 1.13	\$ 0.05	4.7%
Total Service Component	100.0%	\$ 13.65	\$ 14.29	\$ 0.63	4.7%
Consumer Price Index : All Urban Consumer		199.2	208.5	9.3	4.7%
DOE Average Diesel Fuel (cents per gallon)		209.4	260.7	51.3	24.5%
U.S. Energy Information Administration (dollars per thousand)		9.3	10.4	1.1	11.9%
Fuel Component Actual		\$ 1.08	\$ 1.13	\$ 0.05	4.7%
Fuel Component - Blended DOE/U.S. Energy		\$ 1.08	\$ 1.31	\$ 0.23	21.7%
Extraordinary Request			\$ 0.18	\$ 0.18	17.1%
New Residential Rate		Current	Increase	Proposed	
Refuse Disposal Component/Greenwaste Disposal and City Fees		\$ 5.02	\$ (0.19)	\$ 4.84	
Service Component		\$ 13.65	\$ 0.82	\$ 14.47	
Total 96 Gallon Automated Cart Rate		\$ 18.67	\$ 0.63	\$ 19.30	3.4%

Commercial Rate		2005	Current	Change	% Change
Rate Components					
Refuse Disposal Component/ and Franchise Fee		\$ 40.95	\$ 44.43	\$ 3.48	8.5%
Service Component		\$ 67.38	\$ 70.53	\$ 3.15	4.7%
Three-yard One-time per Week		\$ 108.33	\$ 114.95	\$ 6.63	6.1%
Service Component Breakdown	% of Total				
Operating Costs (incl. Profit)	92.1%	\$ 62.05	\$ 64.95	\$ 2.90	4.7%
Fuel	7.9%	\$ 5.32	\$ 5.57	\$ 0.25	4.7%
Total Service Component	100.0%	\$ 67.38	\$ 70.53	\$ 3.15	4.7%
Consumer Price Index : All Urban Consumer		199.2	208.5	9.3	4.7%
DOE Average Diesel Fuel (cents per gallon)		209.4	260.7	51.3	24.5%
U.S. Energy Information Administration (dollars per thousand)		9.3	10.4	1.1	11.9%
Fuel Component Actual		\$ 5.32	\$ 5.57	\$ 0.25	4.7%
Fuel Component - Blended DOE/U.S. Energy		\$ 5.32	\$ 6.48	\$ 1.16	21.7%
Extraordinary Request			\$ 0.91	\$ 0.91	17.1%
New Commercial Rate		Current	Increase	Proposed	
Refuse Disposal Component/City Franchise Fee		\$ 40.95	\$ 3.48	\$ 44.43	
Service Component		\$ 67.38	\$ 4.06	\$ 71.43	
Three-yard One-time per Week		\$ 108.33	\$ 7.54	\$ 115.86	7.0%

Rolloff Rate		2005	Current	Change	% Change
Rate Components					
Refuse Disposal Component/City Franchise Fee		\$ 24.64	\$ 25.79	\$ 1.15	4.7%
Service Component		\$ 139.64	\$ 146.16	\$ 6.52	4.7%
40 yard Rolloff Pull Rate		\$ 164.28	\$ 171.95	\$ 7.67	4.7%
Service Component Breakdown	% of Total				
Operating Costs (incl. Profit)	92.1%	\$ 128.61	\$ 134.61	\$ 6.00	4.7%
Fuel	7.9%	\$ 11.03	\$ 11.55	\$ 0.52	4.7%
Total Service Component	100.0%	\$ 139.64	\$ 146.16	\$ 6.52	4.7%

Consumer Price Index : All Urban Consumer	199.2	208.5	9.3	4.7%
DOE Average Diesel Fuel (cents per gallon)	209.4	260.7	51.3	24.5%
U.S. Energy Information Administration (dollars per thousand)	9.3	10.4	1.1	11.9%
Fuel Component Actual	\$ 11.03	\$ 11.55	\$ 0.52	4.7%
Fuel Component - Blended DOE/U.S. Energy	\$ 11.03	\$ 13.73	\$ 2.70	24.5%
Extraordinary Request		\$ 2.19	\$ 2.19	19.8%

	Current	Increase	Proposed	
<u>New Rolloff Rate</u>				
Refuse Disposal Component/City Recycle and AB 939 Fee	\$ 24.64	\$ 1.15	\$ 25.79	
Service Component	\$ 139.64	\$ 8.71	\$ 148.35	
40 yard Rolloff Pull Rate	\$ 164.28	\$ 9.86	\$ 174.14	6.0%



U.S. Department of Labor Bureau of Labor Statistics

Bureau of Labor Statistics Data

www.bls.gov



U.S. Bureau of Economic Analysis | Get Detailed Statistics | Glossary | What's New | Find Us In DOL

Change Output Options:

From: 1996

To: 2006



☐ include graphs **NEW!**

[More Formatting Options](#)

Page generated on April 19, 2006 (14:55:01 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUURA421SA0 Not Seasonally Adjusted Area: Los Angeles-Riverside-Orange County, CA Item: All items Base Period: 1982=84=100												
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1996	155.7	156.2	157.3	157.7	157.5	156.7	157.6	157.3	158.2	158.8	158.4	158.3
1997	159.1	159.2	159.8	159.9	159.5	159.4	159.5	159.7	160.5	161.1	160.7	161.2
1998	161.0	161.1	161.4	161.8	162.3	162.2	162.1	162.6	162.6	163.2	163.4	163.5
1999	164.2	164.6	165.0	166.6	166.2	165.4	165.8	166.3	167.2	167.2	167.1	167.3
2000	167.9	169.3	170.7	170.6	171.1	171.0	171.7	172.2	173.3	173.8	173.5	173.5
2001	174.2	175.4	176.2	176.6	177.5	178.9	178.3	178.4	178.8	178.3	178.1	177.1
2002	178.9	180.1	181.1	182.2	182.6	181.9	182.2	183.0	183.4	183.7	184.0	183.7
2003	185.2	186.5	188.2	187.6	186.4	186.3	186.3	186.9	188.2	187.8	187.1	187.0
2004	188.5	190.1	191.5	191.9	193.3	193.7	193.4	193.1	194.5	196.3	196.9	195.2
2005	195.4	197.4	199.2	201.1	201.5	200.7	201.4	203.1	205.8	206.9	205.6	203.9
2006	206.0	207.5	208.5									

Date	U.S. No 2 Diesel Retail Sales by All Sellers (Cents per Gallon)		California No 2 Diesel Retail Sales by All Sellers (Cents per Gallon)	
Jan-2004	\$	155.10	\$	167.65
Feb-2004	\$	158.20	\$	180.90
Mar-2004	\$	162.94	\$	189.66
Apr-2004	\$	169.23	\$	217.08
May-2004	\$	174.64	\$	228.44
Jun-2004	\$	171.13	\$	205.63
Jul-2004	\$	173.85	\$	209.80
Aug-2004	\$	183.28	\$	212.84
Sep-2004	\$	191.68	\$	216.38
Oct-2004	\$	213.43	\$	236.08
Nov-2004	\$	214.66	\$	234.78
Dec-2004	\$	200.93	\$	213.68
2004 Average	\$	180.75	\$	209.41
Jan-2005	\$	195.88	\$	205.88
Feb-2005	\$	202.68	\$	224.38
Mar-2005	\$	221.38	\$	245.50
Apr-2005	\$	229.18	\$	258.95
May-2005	\$	219.88	\$	245.02
Jun-2005	\$	228.98	\$	246.90
Jul-2005	\$	237.25	\$	257.75
Aug-2005	\$	250.00	\$	294.48
Sep-2005	\$	281.88	\$	312.48
Oct-2005	\$	309.50	\$	316.00
Average 2005	\$	237.66	\$	260.73
Year over Year Increase	\$	56.90	\$	51.33
% of Increase		31.48%		24.51%